

Arbitrage Event-Driven Fund

Q2 2018 Fact Sheet as of June 30, 2018



The Arbitrage Funds

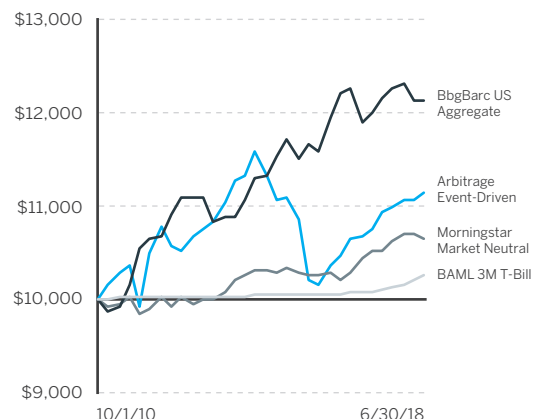
ADVISED BY WATER ISLAND CAPITAL

Fund Objective

The fund seeks to provide capital growth and absolute returns by investing in credit and equity securities involved in specific corporate events, with a focus on low volatility and low correlation relative to the broader capital markets.

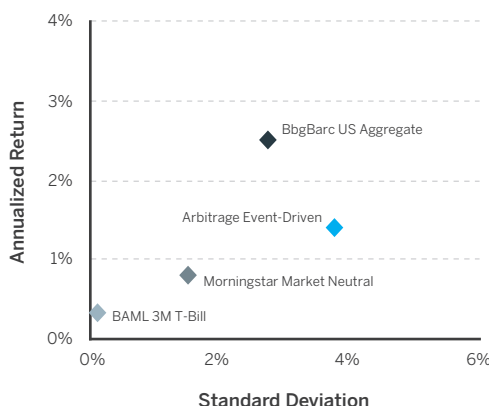
Performance Comparison (AEDFX)

Growth of \$10,000 since inception (10/1/10), as of 6/30/18.



Risk-Return Comparison (AEDFX)

Risk vs. return since inception (10/1/10), as of 6/30/18.



Total returns as of 6/30/18	3-Month	YTD	12-Month	5-Year	Since Inception
Arbitrage Event-Driven R (AEDFX)	0.63%	0.63%	1.77%	0.55%	1.39%
Arbitrage Event-Driven I (AEDNX)	0.74%	0.74%	2.00%	0.77%	1.63%
Arbitrage Event-Driven C (AEFCX)	0.43%	0.32%	0.98%	-0.21%	0.27%
Arbitrage Event-Driven A (AGEAX)	0.74%	0.74%	1.80%	0.55%	0.56%

Inception: AEDFX, 10/1/10; AEDNX, 10/1/10; AEFCX, 6/1/12; AGEAX, 6/1/13. Returns greater than one year are annualized. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 295-4485. Returns shown above include the reinvestment of all dividends and capital gains. Contractual fee waivers are currently in effect. Without such fee waivers, performance numbers would have been reduced. Fee waivers do not include the effects of interest, dividends on short positions, brokerage commissions, acquired fund fees and expenses, taxes, or other extraordinary expenses. Total Annual Fund Operating Expenses for AEDFX, AEDNX, AEFCX, and AGEAX (excluding sales charge) are 2.60%, 2.35%, 3.35%, and 2.60% respectively. The Advisor has agreed to waive fees in excess of 1.69%, 1.44%, 2.44%, and 1.69% for AEDFX, AEDNX, AEFCX, and AGEAX (excluding sales charge) respectively, until September 30, 2018. Class A shares have a maximum front-end sales charge of 3.25%.

MARKET CAP EXPOSURE

Under \$500MM	0.6%
\$500MM - \$2B	9.2%
\$2B - \$10B	42.2%
Over \$10B	38.5%

SECTOR EXPOSURE

Consumer Discretionary	17.8%
Consumer Staples	4.2%
Energy	4.8%
Financials	6.8%
Health Care	15.0%
Industrials	6.8%
Information Technology	28.6%
Materials	5.6%
Real Estate	10.1%
Telecommunications	4.8%
Utilities	2.0%
Broad Index	8.0%
Government	0.6%

REGION EXPOSURE

Americas	102.1%
Asia Pacific	0.0%
Europe, Middle East, Africa	12.9%

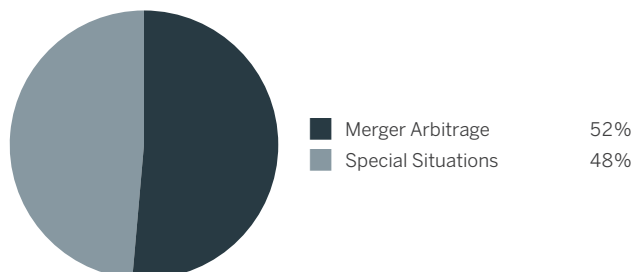
Risk Metrics¹

Standard Deviation	3.40%	Correlation (vs S&P 500)	0.44
Sharpe Ratio	0.05	Correlation (vs Barclays Agg)	-0.05
Sortino Ratio	0.06	Beta (vs S&P 500)	0.15
		Beta (vs Barclays Agg)	-0.06

Portfolio Characteristics²

Long Exposure	115.0%	Weighted Average Market Cap	\$25.3 B
Short Exposure	-46.1%	Median Market Cap	\$5.3 B
Gross Exposure	161.1%	Maximum Market Cap	\$257.7 B
Net Exposure	68.9%	Minimum Market Cap	\$322 MM
Effective Duration	1.2 Yrs	Duration to Maturity	3.6 Yrs

Strategy Allocation



FUND FACTS

Investment Strategy	Event-Driven
Fund AUM	\$151 MM

RETAIL SHARES

Ticker	AEDFX
CUSIP	03875R304
Expense Ratio Cap	1.69%
Gross Expense Ratio	2.60%
Sales Charge	No Load
Inception Date	10/1/10

INSTITUTIONAL SHARES

Ticker	AEDNX
CUSIP	03875R403
Expense Ratio Cap	1.44%
Gross Expense Ratio	2.35%
Sales Charge	No Load
Inception Date	10/1/10

C SHARES

Ticker	AEFCX
CUSIP	03875R601
Expense Ratio Cap	2.44%
Gross Expense Ratio	3.35%
Sales Charge (CDSC)	1.00%
Inception Date	6/1/12

A SHARES

Ticker	AGEAX
CUSIP	03875R858
Expense Ratio Cap	1.69%
Gross Expense Ratio	2.60%
Sales Charge	3.25%
Inception Date	6/1/13

PORTFOLIO MANAGERS

Edward Chen	12 Yrs Experience
Roger Foltynowicz, CFA	15 Yrs Experience
Gregg Loprete	27 Yrs Experience
Todd Munn	24 Yrs Experience
John Orrico, CFA	36 Yrs Experience

WWW.ARBITRAGEFUNDS.COM

RETAIL: (800) 295-4485

INSTITUTIONAL: (800) 560-8210



Historical Monthly Returns (AEDFX)

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2010										0.30%	1.20%	0.11%	1.61%
2011	1.09%	0.30%	-0.29%	0.79%	-0.10%	0.19%	-0.59%	-0.79%	-2.97%	5.50%	0.19%	0.11%	3.29%
2012	1.23%	1.52%	-0.20%	0.00%	-2.10%	0.20%	-1.02%	0.21%	0.41%	-1.02%	0.62%	1.98%	1.77%
2013	0.31%	0.21%	0.00%	0.21%	0.62%	0.00%	1.12%	0.10%	0.60%	1.00%	0.79%	0.32%	5.40%
2014	0.00%	0.79%	-0.29%	0.49%	0.68%	1.07%	-1.06%	0.29%	-1.45%	-1.28%	-0.20%	-0.71%	-1.69%
2015	0.10%	0.72%	-0.61%	0.62%	-0.61%	-2.26%	-1.16%	-1.17%	-3.66%	0.56%	-1.00%	-0.07%	-8.31%
2016	0.11%	1.03%	1.02%	0.22%	0.79%	-0.11%	0.67%	0.44%	0.55%	-1.32%	1.00%	0.55%	5.06%
2017	0.11%	0.44%	0.33%	0.54%	0.76%	0.32%	-0.21%	0.53%	0.21%	0.53%	-1.27%	1.35%	3.68%
2018	0.85%	0.52%	-1.36%	-0.74%	0.85%	0.53%							0.63%

2010 YTD returns 10/1/10-12/31/10. Performance quoted represents past performance and does not guarantee future results.

Top Five Holdings by Strategy

MERGER ARBITRAGE

NXP Semiconductors NV	5.8%
Validus Holdings Ltd	3.7%
KapStone Paper and Packaging Corp	3.2%
XL Group Ltd	3.1%
VeriFone Systems Inc	2.7%

SPECIAL SITUATIONS

Altaba Inc	4.2%
Integer Holdings Corp 9.125% 11/1/23	3.2%
McClatchy Co/The 9% 12/15/22	2.2%
Spirit Realty Capital Inc	1.8%
Comstock Resources Inc 10% 3/15/20	1.7%

Top Ten Holdings

NXP Semiconductors NV	5.8%
Altaba Inc	4.2%
Validus Holdings Ltd	3.7%
KapStone Paper and Packaging Corp	3.2%
Integer Holdings Corp 9.125% 11/1/23	3.2%
XL Group Ltd	3.1%
VeriFone Systems Inc	2.7%
McClatchy Co/The 9% 12/15/22	2.2%
RSP Permian Inc 6.625% 10/1/22	2.1%
Tribune Media Co	2.1%

Holdings are subject to change.

Credit Quality³

AAA	0.6%
AA	0.0%
A	0.0%
BBB	0.0%
BB	2.6%
B	12.2%
Below B	8.0%
Not Rated	0.0%

¹ Risk measurements are trailing three-year through quarter-end. Figures reflect AEDFX (R Class). Calculations use the three-month T-Bill rate, as measured by the Bank of America Merrill Lynch U.S. 3-Month Treasury Bill Index, for risk-free rate and minimum acceptable return. Standard Deviation measures the degree of variation of returns around the average return. Sharpe ratio is a measure of risk-adjusted performance, calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. Sortino ratio is a similar measure of risk-adjusted returns, although it uses downside deviation rather than standard deviation as the denominator, and therefore does not penalize volatility from positive performance. Beta, a measure of the volatility of a portfolio in relation to the market as a whole, indicates the tendency of a portfolio to respond to swings in the market. Correlation is a measure of how two securities move in relation to each other, ranging from -1 to +1. A correlation of 0 means the relationship between the two securities is completely random, while +1 indicates a perfect positive relationship and -1 a perfect negative relationship. Gross exposure equals long exposure plus the absolute value of short exposure.

² Duration is the approximate percentage change in a bond's price that will result from a 1% change in its yield. Duration to maturity assumes a bond's expected cash flow does not change when its yield changes. Effective duration takes into account the way in which changes in yield will affect expected cash flows, which is a more appropriate measure for a bond with an option embedded. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration figures are weighted averages based on percent exposure to credit holdings.

³ Credit quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). NR (Not Rated) is used to classify securities for which a rating is not available. The Advisor receives credit quality ratings on portfolio holdings from the three major ratings agencies: Moody's, S&P, and Fitch. When calculating the credit quality breakdown, the Advisor utilizes the lower of Moody's and S&P ratings, and if neither Moody's nor S&P are available, the Fitch rating.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing. The Fund's prospectus contains this and other important information. You may obtain a copy of the Fund's prospectus at <http://arbitragefunds.com> or by calling (800) 295-4485. Please read the prospectus carefully before you invest or send money.

RISKS: The Fund uses investment techniques that are different from the risks ordinarily associated with equity investments. Such techniques and strategies include merger arbitrage risks, high portfolio turnover risks, options risks, borrowing risks, short sale risks, debt securities risks, and foreign investment risks, which may increase volatility and may increase costs and lower performance. Bonds and bond funds will decrease in value as interest rates increase. Past performance is not a guarantee of future results.

The Morningstar Market Neutral Category encompasses funds that attempt to reduce systematic risk created by factors such as exposures to sectors, market-cap ranges, investment styles, currencies, and/or countries by matching long positions within each area against corresponding short positions. The Barclays U.S. Aggregate Bond Index covers the U.S. investment grade fixed rate bond market. The S&P 500 Index is an index of U.S. equities meant to reflect the risk/return characteristics of the large cap universe, and is one of the most commonly used benchmarks for the overall U.S. stock market. The Bank of America Merrill Lynch U.S. 3-Month Treasury Bill Index is commonly used as a proxy for short-term interest rates. Indexes are unmanaged and one cannot invest directly in an index.

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